

Message Text

UNCLASSIFIED

PAGE 01 MONTEV 01580 130049Z

47

ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 IO-10 AID-05 STR-04 EB-07 COME-00

FRB-01 TRSE-00 OMB-01 XMB-04 CIAE-00 INR-07 NSAE-00

PA-02 PRS-01 USIA-15 NSC-05 L-02 SP-02 /092 W

----- 106490

R 121702Z MAY 75

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 8875

UNCLAS MONTEVIDEO 1580

E.O. 11652: N/A

TAGS: EFIN, IDB, UY

SUBJ: ORTIZ MENA VISITS URUGUAY

1. IDB PRESIDENT ORTIZ MENA, ACCOMPANIED BY EXECUTIVE DIRECTOR GEN. EDMUNDO VALENCIA, VISITED URUGUAY ON MAY 3-4 ON A TWO-DAY, STOP-OVER EN ROUTE TO BUENOS AIRES TO PARTICIPATE IN A JOINT GOU-GOA SIGNING CEREMONY FOR A NEW \$95 MILLION (ORDINARY CAPITAL) LOAN FOR THE SECOND STAGE CONSTRUCTION OF THE SALTO GRANDE HYDRO-ELECTRIC PROJECT ON THE RIO URUGUAY. A PREVIOUS \$80 MILLION LOAN MADE IN 1972 WAS USED TO INITIATE CONSTRUCTION. ACCORDING TO ORTIZ MENA, THE NEW LOAN IS THE LARGEST EVER GRANTED BY IDB FOR ANY SINGLE PROJECT. THE TOTAL COST OF THE SECOND PHASE IS \$298 MILLION OF WHICH 32 PERCENT IS BEING FINANCED BY IDB, AND 55.7 PERCENT BY URUGUAY AND ARGENTINIAN, AND 12.4 PERCENT FROM SUPPLIERS CREDITS.

2. ORTIZ MENA ALSO HELD A SERIES OF MEETINGS WITH GOU OFFICIALS AND A PRESS CONFERENCE AT WHICH HE ANNOUNCED THE AUTHORIZATION OF A \$14 MILLION LOAN TO ANCAP FOR EXPANSION OF ITS CEMENT PLANT AT PAYSANDU (WITH FUNDS COMING FROM THE NEW VENEZUELAN TRUST FUND). HE INDICATED THAT THE IDB WILL SOON BE CONSIDERING A LOAN TO THE GOU TO START WORK ON THE PALMAR DAM PROJECT ON THE RIO NEGRO. (COMMENT: ORTIZ MENA WAS OBVIOUSLY REFERRING TO THE LONG-PLANNED IDB CONTRIBUTION TO PALMAR AS PART OF A JOINT FINANCING ARRANGEMENT UNDER WHICH IDB, IBRD AND FOREIGN SUPPLIERS WOULD EACH

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MONTEV 01580 130049Z

PROVIDE A THIRD OF THE PROJECT'S FOREIGN EXCHANGE COSTS.) HE

ALSO COMMENTED ON IDB FINANCIAL SUPPORT FOR FEASIBILITY STUDIES ON CONSTRUCTION OF A DEEP WATER PORT IN URUGUAY TO SERVE THE ENTIRE RIVER PLATE BASIN AND HELP TO INTEGRATE BOLIVIA, PARAGUAY, ARGENTINA AND URUGUAY.

3. IN RESPECT TO REGIONAL ECONOMIC INTEGRATION, ORTIZ MENA OBSERVED THAT THE SALTO GRANDE AND PALMAR PROJECTS, WHEN TIES INTO THE BRIDGES BEING BUILT ACROSS THE RIO URUGUAY WILL HAVE A VERY SIGNIFICANT IMPACT IN MAKING THE RIVER VALLEY AN IMPORTANT "DEVELOPMENT POLE" FROM WHICH RAPID DEVELOPMENTAL RESULTS COULD BE EXPECTED FOR A MODEST EXTERNAL ASSISTANCE CONTRIBUTION.

4. FINALLY, ORTIZ MENA LAUDED THE GOU STABILIZATION DEVELOPMENT PROGRAM AND SAID THE IDB HAD DECIDED TO STRONGLY SUPPORT URUGUAY TO PERMIT A RAPID TAKE OFF IN ITS NEW STEPS TOWARDS ECONOMIC AND SOCIAL DEVELOPMENT.

5. IN DETAILING ITS SUPPORT TO THE GOU'S DEVELOPMENT EFFORT, ORTIZ MENA INDICATED THAT THE IDB HAD PROVIDED SOME \$257 MILLION IN LOANS AND GRANTS TO URUGUAY IN RECENT YEARS.

6. COMMENT: ORTIZ MENA'S VISIT WAS GENERALLY WELL RECEIVED BY THE ASSISTANCE IN RECENT YEARS BY, FOR EXAMPLE, A COURTESY INTERVIEW WITH PRESIDENT BORDABERRY. IT WAS PARTICULARLY PLEASED WITH ORTIZ MENA'S INDICATIONS FOR INCREASED ASSISTANCE TO REGIONAL ECONOMIC INTEGRATION SCHEMES, WHICH BOTH THE GOU AND ORTIZ MENA GIVE VERY HIGH PRIORITY.

HAAHR

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ITINERARY, TREATY SIGNATURE, VISITS, DEVELOPMENT LOANS, HYDROELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MONTEV01580
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750167-0528
From: MONTEVIDEO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750561/aaaacdig.tel
Line Count: 89
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUL 2003 by SilvaL0>; APPROVED <13 FEB 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ORTIZ MENA VISITS URUGUAY
TAGS: EFIN, OTRA, UY, IDB, (VALENCIA, EDMUNDO), (ORTIZ MENA)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006